

May 29, 2008

Good Morning, Members of the California Board of Food and Agriculture

My name is Shermain Hardesty. I am the Director of the University of California's Small Farm Program and an Extension Economist in the Department of Agricultural and Resource Economics at the University of California, Davis. My vision for California agriculture by 2030 involves providing a varied array of marketing opportunities to agricultural producers of a broad range of sizes.

Currently, most of the food marketed in California is sold through large grocery stores, mass merchandisers such as Walmart and Costco, and fast food chains. Yet increasing numbers of consumers are seeking out locally produced fruits, vegetables, nuts, meat and poultry, cheese, jams and other foods through farmers markets. Most of the food sold at farmers markets is produced by smaller growers. According to the 2002 Census of Agriculture (the most recent data available), there were over 67,000 farms in California in 2002 with sales under \$250,000—USDA's definition of a small farm. In California, we think big, so we often think of "smaller" producers as those with sales under \$500,000—these 71,000 farms accounted for 89.8% of the farms in California in 2002. Yet they generated only 13.8% of the total market value produced in California.

Agriculture in California is undergoing considerable consolidation. Between 1997 and 2002, the total number of farming operations in California declined from 87,991 to 79,631—a 9.5% decrease. All of the decreases occurred in the small- and mid-scale farm size categories (up to \$1 million in sales).

My vision for California agriculture by 2030 is to expand the array of marketing venues to provide more opportunities for smaller producers to sell their products. We need to go beyond farmers markets, such as by offering more permanent public markets and CSA-like deliveries at workplaces. These venues would operate alongside the grocery stores and mass merchandisers where much of our food products are purchased.

Consumers would have more opportunities to buy tree-ripened, flavorful fruits and freshly picked vegetables; shelf life considerations would not compromise flavor. They would be able to talk to producers and learn about their production practices. They would understand the production cycle of livestock and why grass-fed beef tastes different than corn-finished beef. They would learn why ocean-caught fish costs more than farm-raised fish.

Enhancing the financial viability of smaller producers will also support their environmentally sound practices. Expanding marketing opportunities for smaller producers will also re-energize our rural communities by increasing the economic activity of local businesses. It will also preserve cultural values, such as traditionally made foods and harvest celebrations.

Regulations are one of the major barriers to expanding marketing opportunities for smaller producers. Many policies and regulations favor large-scale producers. For example, the paperwork effort needed to comply with the recently enacted Leafy Greens Marketing Agreement is unfathomable for a small producer to consider as she manages her farm and provides much of the day-to-day labor. A large operation has the capacity to hire a food safety coordinator. Also, there are cumbersome regulations associated with food processing and marketing that limit opportunities for smaller producers. For example, a small farmer who wholesales his roasted and seasoned walnuts and almonds must use a state registered food processing facility. If he sells only direct to consumers, he can process the walnuts and almonds at a commercial food kitchen.

Meat slaughter and processing regulations are particularly costly. There are very few small scale operations left in the state where smaller ranchers can get slaughter and processing services; many are forced to drive to one facility to have their livestock slaughtered, then to another to have the meat cut and wrapped. Most of the livestock grown California is shipped out of state to massive facilities for processing.

I strongly encourage you to assess the scale-neutrality of regulations that have been enacted recently that relate to agricultural, food processing and food marketing practices. California agriculture is internationally renowned for its diversity, productivity and technological innovation. With your leadership, we can take major steps to creating an economy that also enhances the financial viability of smaller producers, supports sound environmental practices, offers consumers a broad array of fresh and flavorful locally-produced foods, rebuilds rural communities and protects traditional cultural practices. Sincerely,

Shermain D. Hardesty, Ph.D.
Director, University of California Small Farm Program